SeaPort:
Improving Services Acquisition through Innovation and E-Business

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Agenda

- Challenges of services contracting
- Business strategy considerations
- E-business framework
- Case study – ***SeaPort***
- Panel discussion

Best practices for successful services acquisitions to save time and money, improve competition, achieve Congressional goals and magnify corporate knowledge.

Government Challenge

- Organizational imperatives
  - Meet services need while reducing cost
  - Build corporate intelligence
- Acquisition objectives
  - Increase performance based contracting
  - Encourage competition and fair opportunity
  - Streamline end-to-end process
- Resistance to change
  - Customer, Supplier adoption
  - HQ management and professionals - culture change

NAVSEA's Challenge

- Meet NAVSEA's Strategic Sourcing budget realignment - $250M (FY01 –05)
- Leverage corporate buying habits
  - Capture, analyze and report business metrics
- Meet OSD goals for 50% of service contracting to be performance based by FY05.
  - 20% by FY02
- Overcome GAO's criticism of MACs
- Reduce cycle time
- Enhance small business participation

Business Strategies

- Identify Best Practices
  - Internal review and assessment - CEWG data
  - E-business market survey
- Engage “customers” and “suppliers”
  - Understand needs
  - Involve in solution development
- Create Multiple Award Contracts (MACs)
  - Defined business need; e-business framework
  - Flexibility in task order, selection process
  - Fair opportunity

NAVSEA Acquisition Strategies

- Create business partners who understand our business and who can help save us money
  - MAC contains all major functional categories
  - Share in savings
- Create automatic mechanisms
  - Conversion to Performance Based Statement of Work
  - Award Term
  - Issue Resolution Desk
- Guaranteed savings
- Ombudsman

E-Business Strategy

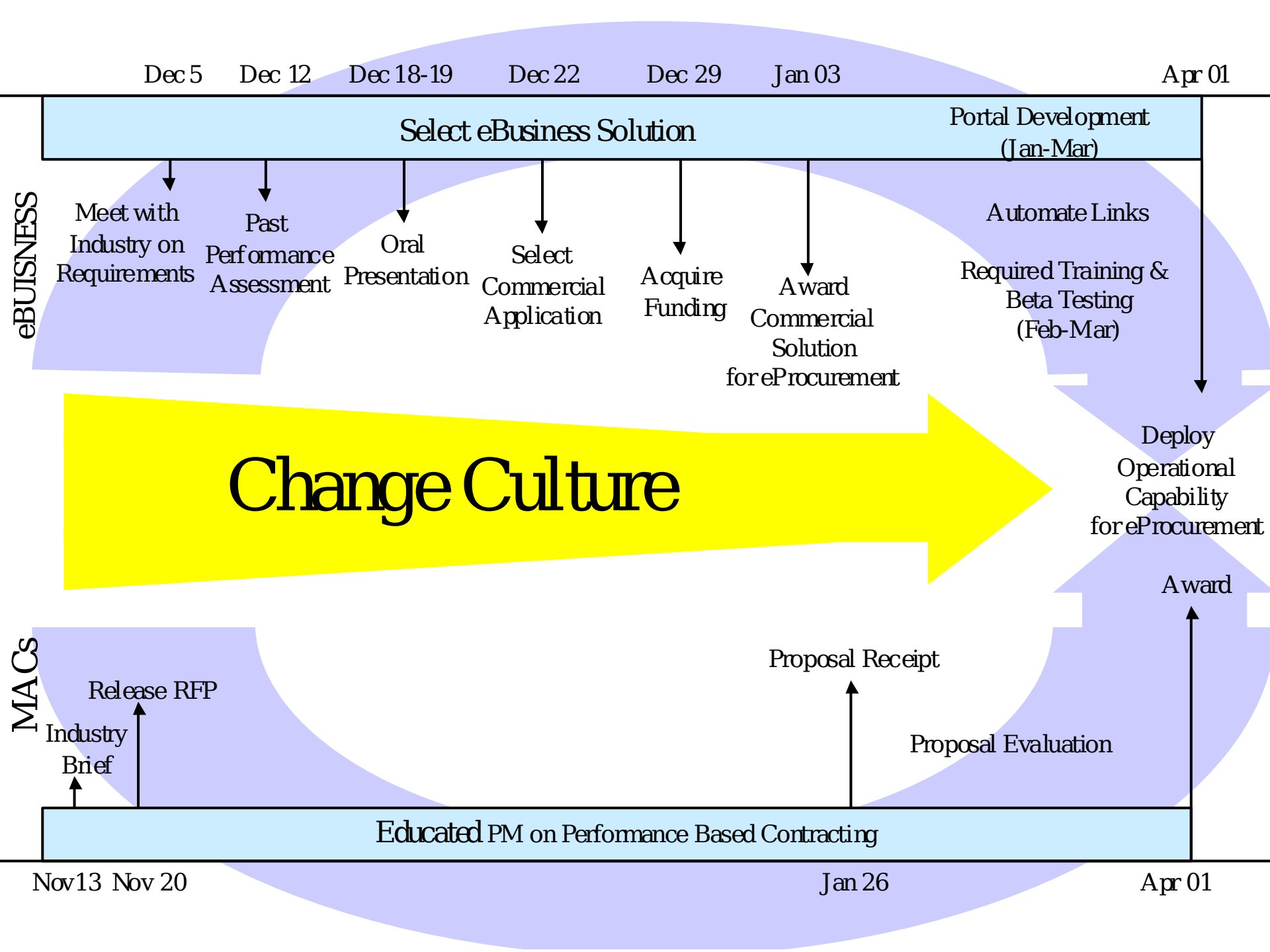
- Conceive e-business framework simultaneously with business strategy
  - Supplier web and e-marketplace acceptance
  - Ensure e-business infrastructure support begins Day 1
- Electronic signature
  - Binding electronic signature – *Gov't & Supplier*
- Secure, web-based end-to-end process
  - Accessible anytime, anywhere
  - Tools, content library facilitate work
  - Web system interfaces with legacy and emerging applications

NAVSEA E-Business Strategy

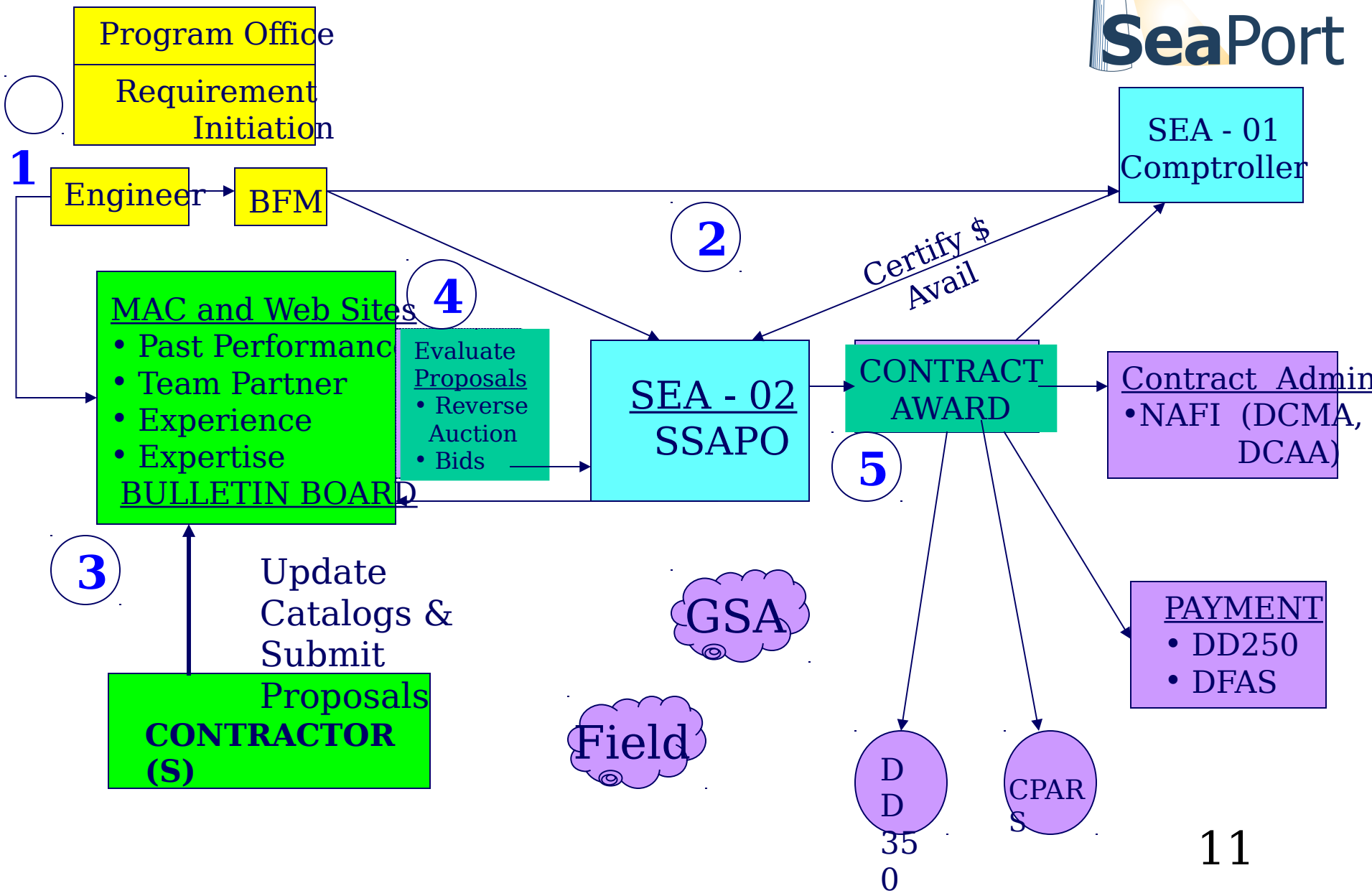
- Market review of what is possible
  - “Amazon.com”-like environment
  - “Turbo-tax”-like form fill
- Established a three pronged approach
  - www.SeaPort.navy.mil information portal
  - e-marketplace Portal for ordering services
  - Multiple Award Contracts
- Conducted e-business portal acquisition
  - Functional specification
  - Demonstrated experience critical
  - Performance-based IOC, FOC delivery timelines

Case Study: SeaPort

- A new philosophy on how NAVSEA buys professional support services
- 21 IDIQ contracts awarded to industry teams consolidating 350 contracts and 80 plus contractors
- Portal created the first government e-marketplace for services
- Web site is front door for orders


Dec 5
Dec 12
Dec 18-19
Dec 22
Dec 29
Jan 03
Apr 01
Select eBusiness Solution
Portal Development (Jan-Mar)
eBUISNESS
Meet with Industry on Requirements
Past Performance Assessment
Oral Presentation
Select Commercial Application
Acquire Funding
Award Commercial Solution for eProcurement
Automate Links
Required Training & Beta Testing (Feb-Mar)
Change Culture
Deploy Operational Capability for eProcurement
Award
MACs
Release RFP
Industry Brief
Proposal Receipt
Proposal Evaluation
Educated PM on Performance Based Contracting
Nov13
Nov 20
Jan 26
Apr 01

"e Procurement Flow"
5 Electronic Steps



Execute Quickly

- MACs awarded within four months of RFP release
- Portal awarded within five weeks
  - Commerce One, CSC, Exostar
- Portal operational within nine weeks
- Web site - fully operational within two weeks, refined within one month

Deliver On-Time Results

- Awarded MACs to 21 high performance teams including 7 to small business
- Reduced cycle time from 270 to 30 days
- e-marketplace portal activity
  - 44 tasks awarded - $866M
  - 56 tasks in pipeline - $329M
  - 5 tasks in development - $390M
- Magnifying corporate knowledge
- Savings to date - $26.4M

Awards/Recognition

- SECNAV Small/Disadvantaged Business Utilization Office
- “Trailblazer” E-Government 2001 Pioneer Award
- JECPO Best Electronic Commerce - Large Business 1st runner up
- DON E-Government Award, Innovative E-Business Strategy
- Defense Acquisition Executive Certificate of Achievement award 2001
- Selected as one of Secretary Rumsfeld’s Business Initiatives

Keys to Success

- Clearly understand your objectives
- Use e-business to achieve results (not bolt on)
- Facilitate the cultural transformation
- Results must equal or exceed expectations

Discussion

- Discussion
- Questions
- Comments

- Thank you for your time!